



THE CITY OF SAN DIEGO
MANAGER'S REPORT

DATE ISSUED: March 9, 2005 **REPORT NO.** 05-062

ATTENTION: Honorable Mayor and City Council
Docket of March 15, 2005

SUBJECT: APPEAL OF PLANNING COMMISSION DECISION TO APPROVE
NTC RESORT HOTEL, PROJECT NUMBER - 19139. PROCESS 4.

REFERENCE: Planning Commission Report No. P-04-158
NTC Precise Plan and Local Coastal Program

OWNER: The Redevelopment Agency of the City of San Diego

LEASEE: McMillin - NTC, LLC

APPLICANT: Liberty Station Huntington Hospitalities Group (HHG) Hotel, L.P

SUMMARY

Issue(s) - Should the City Council uphold the Planning Commission's decision to approve a Planned Development Permit to construct a 350 room visitor resort hotel facility at Liberty Station (former Naval Training Center)?

Staff Recommendation:

1. **CERTIFY** Addendum to Environmental Impact Report No. 99081140 (LDR 19139), and ADOPT revised Mitigation, Monitoring and Reporting Program (MMRP), Findings, and Statement of Overriding Considerations; and
2. **DENY** appeal and **APPROVE** Planned Development Permit No. 33123.

Community Planning Group Recommendation - At the Peninsula Community Planning Board meeting of September 16, 2004, a motion to deny the project passed by a vote of 10-0 with bulk/scale and height identified as issues (Attachment 24).

Environmental Review - An Addendum to Environmental Impact Report No. 99081140 (LDR 19139), has been prepared for the project in accordance with State of California Environmental Quality Act (CEQA) Guidelines. A revised Mitigation, Monitoring and Reporting Program has been prepared and will be implemented which will reduce, to below a level of significance, any potential impacts identified in the environmental review process, excepting previously identified cumulative impacts to transportation and circulation.

Fiscal Impact – Applicant bears all costs for project processing. The hotel property was conveyed from the Navy to the City through an Economic Development Conveyance (EDC), which stipulated that the property be used for long-term job creation and economic revitalization. The hotels were included in the Reuse Plan to provide visitor amenities in close proximity to the airport and San Diego Bay and to provide a source of revenue for the City. In 1998, when the Reuse Plan was approved, the transient occupancy tax estimated to be generated by the two hotels on NTC was approximately \$4 million annually.

Housing Impact Statement – None.

BACKGROUND

The approximately 360-acre former Naval Training Center, now known as Liberty Station, is located along Rosecrans Street between Lytton Avenue and North Harbor Drive, west of the San Diego International Airport (Lindbergh Field). In 1993, the Federal Base Closure and Realignment Commission recommended closure of NTC. The City of San Diego was designated the Local Redevelopment Authority responsible for the preparation of a reuse plan and on April 29, 1997 the City Council approved and adopted the NTC Redevelopment Project Area.

The Redevelopment EIR prepared for the NTC Redevelopment Project and certified by the Redevelopment Agency of the City of San Diego on February 1, 2000 indicated that direct significant impacts on the following issues would be substantially lessened or avoided if all the proposed mitigation measures recommended in the Final EIR were implemented: land use, transportation and circulation, cultural resources, biological resources, geology and soils, hydrology and water quality, air quality, public health and safety, visual resources, noise, and community services and facilities. Additionally, it was identified that significant cumulative impacts related to transportation and circulation would not be fully mitigated to below a level of significance. The City of San Diego contemplated these impacts of developing the project site and determined that specific overriding economic, legal, social, technological, and other benefits of the NTC Redevelopment Plan outweigh any and all significant effect that Redevelopment would have in the environment, and that on balance, the remaining significant effects were found acceptable based on the Statement of Overriding Considerations.

After a multi-year public planning effort, the California Coastal Commission and City Council approved planning and subdivision entitlements to facilitate redevelopment of the base including adoption of the NTC Precise Plan and Local Coastal Program (LCP), amendments to the Peninsula Community Plan and the Progress Guide and General Plan, application of zoning to the site, a

Vesting Tentative Map (VTM), Master Planned Development and Coastal Development permits, including *NTC Urban Design Guidelines* and *NTC Guidelines for the Treatment of Historic Properties*. The redevelopment of NTC is substantially underway, including construction of residential and office development, new construction and repair of site infrastructure and utilities, park development planning of the NTC waterfront park, and adaptive reuse of existing structures remaining at the site.

The 20.88 acre subject property is located west of the boat channel at the intersection of Laning Road and North Harbor Drive, west of San Diego International Airport (Lindbergh Field), in the CV-1-1 zone and Visitor Hotel Subarea of the Naval Training Center (NTC) Precise Plan, Airport Environs Overlay Zone, Airport Approach Overlay Zone, and Coastal Overlay (State Coastal jurisdiction) and is within the Peninsula Community Plan area (Attachments 1 and 2). The site is legally described as Lots 1 – 10 of NTC Unit 7, Map No. 14771. The relatively flat site is currently developed with existing Building 623 (Support Center), and existing Building 430 (*U.S.S. Recruit*) which is a contributing structure to the Naval Training Center Historic District as listed on the National Register of Historic Places.

The proposed project is located on a site within the Visitor Hotel subarea of the NTC Precise Plan and Local Coastal Program Land Use Plan which is specifically designated for Visitor Hotel land use. The underlying CV-1-1 zone provides areas for a mix of large-scale, visitor-serving uses catering to the lodging, dining, and recreational needs of both tourists and the local population. The CV zones are intended for areas located near employment centers and areas with recreational resources or other visitor attractions (SDMC 131.0505).

DISCUSSION

Planning Commission Hearings:

November 4, 2004 - The project was reviewed by the Planning Commission at the public hearing of November 4, 2004. Planning Commissioners discussed the project but ultimately requested continuance of the item in order to receive additional information including details of the 150 foot esplanade, confirmation that the Historic Resource Board Design Assistance Subcommittee was aware that areas adjacent to the USS Recruit would be utilized for parking, clarification regarding the Navy mandated 15 foot setback buffer from the boat channel edge and information regarding the status of the boat channel transfer to the City. Additionally, the Commission requested that the developer revisit the project site plan to address concerns regarding the project's relationship with the overall NTC redevelopment area and esplanade, and investigate the concept of creating a more "village-type" environment, including revisions to the layout of the commercial retail building pads.

December 9, 2004 - At the Planning Commission hearing of December 9, 2004, Commissioners were presented with proposed site plan modifications to the project which clustered the four retail/restaurant commercial pads closer to the hotel buildings and away from the Laning Road street frontage. Additionally, the footprints of the hotel buildings were shifted to a more perpendicular placement in relation to the esplanade, allowing greater through-views to the esplanade and drawing

on the philosophy of the urban grid which is a prevalent element in the historic site layout throughout the former Naval Training Center (Attachment 28). Details of the public access through the project site, and along the interface of the esplanade and hotel, were also clarified to ensure that access to the public had been included in the project as a significant feature. Commissioners responded favorably to the revised architectural site planning.

Staff reported to the Commission the results of the Historic Resource Board Design Assistance Subcommittee meeting of December 1, 2004, at which the subcommittee revisited their previous discussions regarding the project. The subcommittee reaffirmed that they were aware that areas adjacent to the *USS Recruit* would be utilized for parking, and very strongly supported the need for parking next to the USS Recruit to allow adequate public access. The subcommittee position was that parked cars are not permanent, and that the sight lines to the Recruit would not be adversely affected by the location of parked cars in the spaces. They were also presented on an informal basis with the current revised site plan, to which they responded positively.

Staff also clarified for the Commission that the requirement for all new development to observe a 15 foot setback buffer from the top of the bank of the boat channel is a temporary condition which was specified in the MOU between the City of San Diego and the Navy allowing transfer of the greater NTC property in 2002 (Attachment 28). The City anticipates transfer of the boat channel property from the Navy to the City of San Diego within the next 12 months.

December 16, 2004 - The NTC Resort Hotel project was continued again from the Planning Commission hearing of December 9, 2004 to the Planning Commission hearing of December 16, 2004 to allow staff to provide clarification on the size and layout of existing Building 623 as related to the shared parking arrangement proposed for the project, specifically regarding operational use limitations on Building 623. Additionally, information was provided regarding the comprehensive traffic analyses for the overall NTC project (Attachment 29). At the public hearing of December 16, 2004, the Planning Commission voted (4-0-3) to approve the project with a revised condition of the development permit which requires preparation and implementation of a parking management plan (Attachment 23, No. 65). The parking management plan requires prioritization of the public parking in locations proximate to Building 623 and other public uses (e.g. *USS Recruit* and esplanade areas) and a comprehensive shared parking arrangement for the project site. Additionally, the Commission specified that any area available for rent within Building 623 for private users would also be available for rent by public users at little or no cost.

Subject of Appeal:

The decision of the Planning Commission was appealed by the Peninsula Community Planning Board (Attachment 30). Reasons cited for the appeal include concerns about the proposed use and operation of existing Building 623, traffic and parking, and the design of the hotel in utilizing accessory commercial retail/restaurant building pads. Specific appeal issues and staff response follows:

Appeal Issue No. 1: “The “Priority Public Use” of Building 623 as dictated by CA Coastal Commission is violated. Its use is ambiguous and inconsistent via control by limiting public access and parking through permit condition.”

Staff Response: The NTC Precise Plan and Local Coastal Program, adopted by the Coastal Commission in September 2001, states:

“Navy Building 623 can either function as a convention center for hotel meetings, operate independently for non-hotel activities and community events, or be used for activities as diverse as religious activities or retail commercial sales. However, the building shall not be used exclusively for hotel activities or other private uses on a permanent basis; community, civic, and/or public uses shall be given first priority for use of the Naval structures. Under a set of guidelines to be prepared by the City Planning Director, the building shall be made available at little or no cost for community, civic and/or public uses for an annual average of 50% of the time, spread throughout the year (seasonally and weekends).”

As required by the LCP, the Planning Director prepared the Building 623 Use Guidelines (“Guidelines”). These were reviewed by the Peninsula Community Planning Board which recommended approval with two modifications. The Assistant Executive Director of the Redevelopment Agency forwarded the Guidelines to the Mayor and City Council with a memorandum that explained how the guidelines implemented the policy requirements of the NTC Precise Plan and LCP (Attachment 17).

The Guidelines provide that the building will be made available for community, civic and/or community use on a reservation basis, and further requires that, “Every 90 days, a report shall be provided to the City Redevelopment Agency NTC Project Manager identifying the requests for and actual use of space by community, civic, and/or public uses at Building 623. The policy objective is to assure that every qualified community, civic and/or public use is accommodated, until 50% utilization of the space and/or time is reserved for such uses. The reports will be reviewed to determine whether qualified uses are being denied reasonable use of the space because of private reservations or an unreasonable fee structure. To the extent that every qualified use requested space can be accommodated, the policy objective has been met.”

The applicant has stated that the interior of the building must be modified from its current chapel configuration to a modern conference center if it is expected to function successfully as a business and provide the required low or no-cost public use. They have submitted a space plan study by an architect specializing in meeting and conference facilities which indicates a probable capacity of 900 persons, although a configuration for some types of events could accommodate up to 1200 persons.

The proposed Planned Development Permit for the NTC Resort Hotel project does not modify the Building 623 Guidelines. The operational criteria established by the NTC Precise Plan are incorporated into the project through conditions of the permit (Attachment 23) including clarifications by the Planning Commission to ensure that any area available for rent within Building

623 for private users would also be available for rent by public users at little or no cost. Utilization of the building by either public or private groups will be constrained by the occupancy limits of the building. The permit conditions require the building's operator to accommodate the expected maximum operational occupancy of 1200 persons.

Appeal Issue No. 2: "This is a City-wide-owned project, agreed by ballot, to benefit the public."

Staff Response: The property is owned by the Redevelopment Agency of the City of San Diego with a 66-year ground lease to McMillin-NTC, LLC. It is subject to the Tidelands Trust that limits development to those uses that further the purpose of the public trust for commerce, navigation, marine-oriented recreation and fisheries. The use of the property for hotels, restaurants, retail and conference facilities is consistent with the NTC Precise Plan, the zone and the Tidelands Trust. The phrase "agreed by ballot" appears to refer to the City-wide vote in November 1995 to shift this site from Future Urbanizing to Urbanized status in the City's General Plan. It was not a vote about public benefit. The NTC Reuse Plan and all later documents clearly identified the areas for the proposed "Economic Development Conveyance" and the "Public Benefit Conveyance". The hotel site was an Economic Development Conveyance, which means that the transfer of land from the Navy to the City must be used to support the economic redevelopment of the installation and for job creation purposes.

Appeal Issue No. 3: "Parking and traffic in this plan is not allocated proportionately, nor is it adequate. Commissioner Chase's request for a "Comprehensive NTC Project Parking and Traffic Plan" at the Dec 9th meeting was not brought forward nor discussed in its "impact" to the surrounding and existing community."

Staff Response: As discussed previously, traffic and parking for the project are accommodated. Commissioner Chase requested information on overall NTC trip generation and on project-specific shared parking calculations, both of which were provided to the Planning Commission (Attachment 29).

Appeal Issue No. 4: "Management of the use of Building 623, as proposed, puts the "public use" at a disadvantage legally, as control and scheduling is "given" to a private entity."

Staff Response: The requirement that "community, civic, and/or public uses shall be given first priority" remains. The Precise Plan contemplated private management of Building 623 when it stated, "...can either function as a convention center for hotel meetings, operate independently for non-hotel activities and community events, or be used for activities as diverse as religious activities or retail commercial sales." As indicated in Response #1, the quarterly reports prepared to confirm that the public users are being accommodated will demonstrate whether the entity operating the building is operating within the requirements of the Guidelines.

Appeal Issue No. 5: "The "type" of hotel being built and planned for with "accessory pads" is inconsistent and in opposition to that discussed in the DDA. Uses of and traffic generation and parking needs are different."

Staff Response: The Naval Training Center Disposition and Development Agreement is not the standard of review for the Planned Development Permit; rather, the NTC Precise Plan/LCP is the policy document which has been adopted by the City Council and Coastal Commission as the standard of review for land use and development at NTC. However, the staff of the Redevelopment Agency has reviewed the type of hotel and accessory uses proposed and found them to be consistent with the development described in the DDA and supports the project as designed. The NTC Precise Plan/LCP states on page 37, “Restaurants, recreational facilities and visitor-commercial retail uses are permitted within the main hotel structure or on separate pads (Attachment 31).” The Vesting Tentative Map and subdivision maps approved by the City Council and the California Coastal Commission showed subdividing the property into multiple lots for hotels, Building 623, the USS Recruit and four other pads. The traffic generation and parking requirements for all these uses are accommodated within the hotel development.

Project Description:

The proposed action is a request for a Planned Development Permit (PDP) to allow construction of a visitor hotel facility. A PDP is typically required for projects requesting deviations from the requirements of the Municipal Code, however, no deviations are proposed as part of this project. The Implementation section of the NTC Precise Plan and Local Coastal Program (LCP) identifies that the planned visitor hotel facility should be developed and entitled through the PDP process. The PDP allows comprehensive planning of the 20-acre site including incorporation of the NTC Precise Plan recommendations regarding the integration of existing Building 623 and the historic *U.S.S. Recruit* into the hotel site, architectural design, signage, coastal access, coastal view protection, traffic and parking management and implementation of the 150-foot wide public Esplanade along the edge of the NTC boat channel

The project has been designed in a style reminiscent of the Spanish colonial architecture of NTC, and the buildings have been designed to step back from the water’s edge and away from the *U.S.S. Recruit*. Pedestrian-oriented entrances face the boat channel inviting the general public into the hotel vicinity and gardens. Due to the site’s location on tidelands property, a Coastal Development Permit will need to be issued by the California Coastal Commission subsequent to the City review process.

The proposed Visitor Hotel development incorporates the following primary components:

- Construction of a 137,200 square foot 200-room, four-story visitor hotel;
- Construction of a 123,900 square foot 150-room, four story extended stay hotel;
- Construction of four 6,000 square foot visitor-oriented retail and restaurant buildings;
- Remodeling and adaptive reuse of the existing 33,000 square foot Building 623 (former Navy Support Center) in accordance with Building 623 Use Guidelines;
- Exterior public improvements around Building 430 (*U.S.S. Recruit*);
- Off-street shared parking facilities, including an 818 vehicle parking lot with parking spaces specifically designated and prioritized for public uses;
- Installation of new traffic signals at the Laning and Cushing Road intersection, and the Rosecrans Street and Farragut Road/Voltaire Street intersection;
- Landscaping (planting, irrigation and landscape related improvements) including installation of

the 150-wide Esplanade along the site's boat channel frontage.

Visitor Hotel - A 4-story 200-room visitor hotel building located at the northeastern end of the project site and designed in an "S" shape configuration would be the primary feature of the proposed hotel complex (Attachments 7, 8, 9). Measuring approximately 137,200 square feet, the hotel would provide typical guest amenities such as a pool and spa, restaurant and lounge, and a conference room providing three 1,600 square feet meeting rooms. Set back from the boat channel 150 feet, the hotel would face the public Esplanade, with a public terrace linking the esplanade to the hotel entry. The hotel building is proposed at 53 feet in height on approximately 6 feet of fill, for a total height above existing grade of 59 feet, which is within the NTC Precise Plan height limit of 60 feet. Exterior materials would include clay tile roof, white plaster walls and decorative ironwork elements.

Extended Stay Hotel - An extended stay hotel also fronting the public Esplanade facing the boat channel would provide 150 rooms within three buildings and measure approximately 123,900 square feet in size (Attachments 10, 11, 12). Two four story "L" shaped primary buildings would be connected by a walkway and landscaped pergola. A secondary structure, a one-story gate house building, would provide for the office, meeting rooms, front desk area, and associated uses. The hotel would provide amenities typical of an extended stay facility such as a pool, sports court, outdoor barbeque area, and meeting rooms. The hotel building would rise to a height of 51 feet above 6 feet of fill for a total height of approximately 57 feet. The exterior would be white plaster with clay tile roofing. The buildings would be set back from the boat channel 150 feet. An observation deck on the third floor area would provide views to the historic *U.S.S. Recruit* and boat channel areas.

Visitor-Oriented Retail and Restaurants - The hotel complex would include clustered restaurant/retail uses at the southwest portion of the project site adjacent to Building 623 and. Four building pads measuring 6,000 square feet each would be developed with individual one-story structures for a cumulative total of 24,000 square feet of restaurant/retail uses. General architectural and signage design schematics have been incorporated into the project plans (Attachment 14) and as a condition of the project design specifications presented at the building permit stage would be required to be in substantial conformance with the overall NTC and visitor hotel design themes.

Adaptive Reuse of Building 623 - Existing Building 623 was originally constructed as a support center for the Navy in the early 1990s and would be adaptively reused as part of the project. The building is centrally located within the project site and is 48 feet in height. As directed in the NTC Precise Plan & LCP, Building 623 is designed to be physically integrated into the hotel development, including renovation of exterior façades and additional of courtyard, landscaping and trellis features for improved aesthetics more compatible with the NTC style of architecture. A tower element not exceeding 60 feet high would be incorporated to draw visitors to the front entrance courtyard area (Attachments 15, 16). Ultimately, the interior could be configured to provide various sizes of meeting rooms and assembly spaces. During Coastal Commission review and approval of the NTC Precise Plan and LCP in 2001, a modification to the LCP included a requirement that Building 623 not be used exclusively for hotel activities or other private uses and that it be made available at little or no cost for community, civic and/or public uses for an annual average of 50% of the time, spread

throughout the year (seasonally and weekends). This measure was incorporated into the planning entitlement documents for NTC at the request of the California Coastal Commission as a component of their approval of the NTC redevelopment project. As a result, the NTC Building 623 Use Guidelines were presented to the City Council in 2002 by the Planning Director, with input from the Peninsula Community Planning Board, to ensure at least half of the use of the building use would be accessible for public uses such as community group meetings and civic organizations (Attachment 17). Permit conditions address these use limitations (Attachment 22) and ensure that any area which would be available for rent within Building 623 for private users would also need to be available for rent by public users at little or no cost.

As a condition of Planning Commission approval of the project, the developer is required to provide additional parking spaces for Building 623 (for a total project parking availability of 914 spaces) to accommodate an occupancy of 1200 persons. This requirement can be met by entering into shared parking agreements with facilities in the project vicinity or by constructing a new parking garage structure at the visitor hotel project site, or a combination of the above. An opportunity for shared parking in the vicinity may include utilization of portions of the existing parking lots on the Navy medical center facility site located immediately west of the hotel site (via a long-term license agreement with the Navy). Other options could include use of designated parking spaces within the off-airport parking lot currently operating on NTC Unit 8 across the boat channel, with the possibility of continuing such an agreement with the future business hotel development ultimately to be constructed on that site. In the event a new parking structure would be proposed, the design of the structure would be processed as an amendment to the project and considered by the Planning Commission as a Process 4.

Operation of the facility will also follow use limitations in order to ensure that trips and parking requirements are not exceeded by multiple users during critical peak hour times at the project site. Events would be scheduled according to the number of participants and duration of the event, as follows:

- Until 9:30 AM: maximum occupancy of 200 persons
- From 9:30 AM through 3:30 PM: maximum of 1200 persons
- From 3:30 PM through 6:30 PM: maximum of 200 persons
- From 6:30 PM through midnight: maximum of 1200 persons

These use limitations can be exceeded if event organizers or conference center management provide alternative means of transportation (*e.g.* buses) so that the total amount of peak hour trips and parking requirements are not exceeded. Events could be scheduled in accordance with the proposed use restrictions to be continuous through the most limited times (such as the time period from 3:30 - 6:30 p.m.) so that no new trips are required. As a condition of the permit, the operator of the Conference Center will be required to report occupancy, transportation and event data on a quarterly basis to the City Manager to demonstrate that the building is being operated in compliance with the peak hour traffic applicable to Building 623, with the reporting commencing upon issuance of a Certificate of Occupancy for the structure by the Building Official.

Integration of Historic Building 430 (U.S.S. Recruit) - Located at the southwestern end of the project site along North Harbor Drive, the *U.S.S. Recruit* is a 6,910 square foot, land-bound replica of a destroyer escort (DE) Class Navy ship formerly used for training purposes when the Naval Training Center (NTC) was in operation (Attachment 18). The *U.S.S. Recruit* was built in 1949 and is an integral portion of the NTC historic landscape and is designated as a contributing structure to the NTC Historic District as listed on the National Register of Historic Places. The proposed project would not alter the structure but would provide enhanced hardscape around the structure to encourage public viewing of the structure and physically integrate the *USS Recruit* into the overall hotel development as recommended by the NTC Precise Plan & LCP.

Public parking would be provided at the site of the *USS Recruit*, including thirteen (13) parking spaces available 24 hours a day specifically designated for the *U.S.S. Recruit*. The project scope does not include public access onboard the *Recruit* at this time. Future use of the *Recruit* is to be determined, but will conform to the NTC Precise Plan and the *NTC Guidelines for the Treatment of Historic Properties*. A historical marker for the *U.S.S. Recruit* will be placed at the site and ancillary features such as the 16 concrete mooring posts, and the existing anchors and chains will be retained.

A new pedestrian plaza would be installed around the *U.S.S. Recruit* connecting the area to the public esplanade. The surface of this area would be decomposed granite (DG) with concrete walkways. Landscaping is not proposed around the immediate vicinity as to retain the historic character of the *U.S.S. Recruit* which was originally described as set in a “sea of asphalt.”

Utility Improvements

The project scope includes utility improvements necessary to remove existing, unused utilities and to connect new services, with portions of the existing water and sewer lines to be removed and other portions will continue to be used. A portion of the unnecessary steam line would be removed at the southeast edge of the project site beginning where the existing pedestrian bridge connects to the project site from the boat channel and extending along the boat channel adjacent to the esplanade within the existing steam line easement. The existing steam lines on the existing pedestrian bridge spanning the boat channel would remain as these lines service the Anti-submarine Warfare (ASW) military facility on the southern side of North Harbor Drive.

Transportation and Parking - Driveway access to the project site would be provided by two standard 30-foot wide driveways, one as the primary access at Laning Road and a secondary access at Farragut Road. A total of 818 parking spaces would be provided at-grade and on-site to serve the various project uses. Twenty-three (23) accessible parking spaces would be provided throughout the project site. As required by the Planning Commission as a condition of approval of the project, the applicant is required to provide and maintain a Parking Management Plan to ensure the public buildings are adequately parked. In addition to providing shared parking for the site, the Parking Management Plan will include a provision which designates at a minimum 15 spaces for public coastal access, 13 spaces for the *USS Recruit* and 70 spaces for Building 623, and parking shall be

in closest proximity to each use and available 24 hours a day. Parking spaces shall be specifically designated for such uses through appropriate signage.

Traffic signals would be provided at the intersection of Laning Road and Cushing Road as per conditions of the Vesting Tentative Map and the MPDP 99-1076; and at the intersection of Rosecrans Street and Farragut Road/Voltaire Street. The project would also provide a westbound to eastbound U-turn lane at the intersection of Laning Road and Cushing Road to the satisfaction of the City Engineer

Project specific analysis determined that the proposed hotel project is expected to generate more traffic (4,566 ADT) than what was previously anticipated in the NTC Redevelopment EIR and NTC Precise Plan Mitigated Negative Declaration (2,932 ADT) representing an increase of 1,634 trips. Current ADT calculations for the overall NTC redevelopment reflect a tally of existing/approved development (including new construction, projects permitted to date, and future build-out assumed under the NTC Precise Plan, including the subject Visitor Hotel project), and indicate that comprehensively the project is estimated to generate 45,170 ADT. As the NTC Precise Plan MND 99-1076 estimated the project would generate 45,795 ADT, and the Redevelopment EIR anticipated 45,941 ADT, the overall the project remains below the total traffic assumed for the project under the NTC redevelopment plan and the NTC Precise Plan. No additional mitigation is required because the NTC redevelopment project overall is expected to generate less traffic than was previously assumed.

Community Plan Analysis:

Land Use - The proposed project is located on a site within the Visitor Hotel subarea of the NTC Precise Plan and Local Coastal Program Land Use Plan and is specifically designated for Visitor Hotel land use. Primary uses are identified as “those which serve visitors, such as lodging, plus ancillary uses such as food, retail, entertainment, water oriented recreation and conference facilities.”

Public Coastal Access - The project fronts on the NTC boat channel. A dedicated public access easement along the easternmost 150 feet of the property along the water’s edge will be developed as a part of the landscaped esplanade (Attachment 19). The esplanade is planned as the primary coastal public accessway at NTC, running along the water’s edge on both sides of the boat channel, providing both pedestrian and bicycle coastal access. Fifteen (15) parking spaces specifically designated for public coastal access would be provided.

Design Features - The hotel structures have been designed to respond to the importance of their location adjacent to the public esplanade, incorporating pedestrian-oriented entrances facing the boat channel. The Harbor Drive side of the hotel will serve as the primary vehicular access to the hotel site, and both Building 623 and the *USS Recruit* will be enhanced and integrated into the overall hotel development as recommended by the NTC Precise Plan & LCP.

Public View Protection - The NTC Precise Plan identifies public view corridors along public rights-of-way in order to protect public views toward the waterfront and coastal areas. The project lies adjacent to the south of the Farragut Road through-view corridor (Attachment 19). Potential impacts to visual quality were analyzed in the *Visual Analysis Report for the NTC Specific Plan*, by View Point West dated August 3, 2000. The visual impact analysis was updated in 2004 to specifically address the construction of the new hotel buildings and to specifically assess the coastal view corridor along Farragut Road looking toward the boat channel. Results of the visual analysis show no

obstruction of public views. The updated view analysis shows three sets of “before” and “after” views of the proposed project demonstrating that impacts to visual quality would be less than significant. In addition, a shading analysis was conducted. Shading during the point of greatest impact (the summer solstice) is demonstrated not to occlude significant portions of the Esplanade or public access areas.

The new visitor hotel facility will be developed to be consistent with the adopted NTC Precise Plan and Local Coastal Program Land Use Plan and no adverse impacts to the plan will occur as a result of project implementation. Additionally, the project will implement the Precise Plan goals to develop the site comprehensively, incorporating existing buildings and developing the waterfront Esplanade, protecting public views and promoting public coastal access through the NTC site.

Environmental Analysis:

The following environmental documents have been certified for the Naval Training Center (NTC) Precise Plan and Redevelopment Plan in accordance with the State of California Environmental Quality Act (CEQA) and define mitigation measures for all projects located within the NTC Redevelopment Area and Precise Plan:

- *Environmental Impact Report for the NTC Redevelopment Project ("Redevelopment EIR")*, State Clearinghouse Number 99081140, certified by the Redevelopment Agency of the City of San Diego on February 1, 2000 (Resolution 292724).
- *Mitigated Negative Declaration NTC Precise Plan and Local Coastal Plan & Related Entitlements/MWWD Environmental Monitoring and Technical Services Laboratory*. LDR No. 99-1076, SCH No. 2000081037. September 14, 2000. Certified by City Council on October 3, 2000 (Resolution 293943).

An Addendum to NTC Redevelopment EIR 99081140 (*Environmental Impact Report for the NTC Redevelopment Project*) has been prepared pursuant to the State CEQA Guidelines at 15162 (Attachment 21). The Addendum serves as the project-specific environmental review pursuant to CEQA and the City of San Diego implementing procedures and evaluates the adequacy of the Redevelopment EIR related to the approval of the proposed Visitor Hotel project. No new significant impacts and no new mitigation measures are required that were not already addressed in the previous Redevelopment EIR.

Community Planning Group Recommendation:

At the Peninsula Community Planning Board meeting of September 16, 2004, a motion to deny the project passed by a vote of 10-0 with bulk/scale and height identified as issues (Attachment 24).

Conclusion:

The development of the redesigned NTC Resort Hotel facility would be consistent with the San Diego Municipal Code development regulations and the adopted NTC Precise Plan and Local Coastal Program Land Use Plan. Additionally, the project will implement the Precise Plan goals to develop the site comprehensively by incorporating existing buildings and developing the waterfront esplanade, protecting public views and promoting public access through the NTC site. Staff recommends denial

of the appeal and approval of the redesigned NTC Resort Hotel facility.

ALTERNATIVES

1. Deny the appeal and Approve Planned Development Permit No. 33123, with modifications.
2. Deny Planned Development Permit No. 33123, if the findings required to approve the project cannot be affirmed.

Respectfully submitted,

Gary Halbert
Development Services Director

Approved: Patricia T. Frazier
Deputy City Manager

HALBERT/PF

Note: Attachments 23 and 24 are available in electronic format. A complete copy for review is available in the Office of the City Clerk.

Attachments:

1. Aerial Photograph
2. Community Plan Land Use Map
3. Project Location Map
4. Project Site Plan
5. Grading/ Public Improvement Plan
6. Landscape Plan
7. Visitor Hotel – Ground Floor
8. Visitor Hotel – Floor Plan
9. Visitor Hotel – Elevations
10. Extended Stay Hotel – Ground Floor
11. Extended Stay Hotel – Floor Plan
12. Extended Stay Hotel – Elevations
13. Site Sections
14. Retail/Restaurant Plans
15. Building 623 Plans
16. Building 623 Elevations
17. NTC Building 623 Use Guidelines
18. USS Recruit Plan
19. Initial/Revised site plan

20. NTC Coastal Access/ Esplanade
21. View Preservation Analysis
22. Addendum to NTC Redevelopment EIR 99081140 (under separate cover)
23. Draft Permit with Conditions
24. Draft Resolution with Findings
25. Community Planning Group Recommendation
26. Ownership Disclosure Statement
27. Project Data Sheet
28. PC Memorandum dated 12-03-04
29. PC Memorandum dated 12-16-04
30. Appeal
31. NTC Precise Plan excerpts